

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

WS-01025A
Ajo Improvement Company – Water Division
P.O. Drawer 9
Ajo, AZ 85321

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
----	----	------

FOR COMMISSION USE

ANN 04	07
--------	----

PROCESSED BY:

5-14-08

SCANNED

6-2-08

COMPANY INFORMATION

Company Name (Business Name) Ajo Improvement Company

Mailing Address P. O. Drawer 9
(Street)

Ajo
(City)

AZ
(State)

85321
(Zip)

(520) 229-6446

Telephone No. (Include Area Code)

(602) 453 - 2850

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email

Address John_Galaska@fmi.com

Local Office Mailing Address (same as above)
(Street)

(City)

(State)

(Zip)

(520) 387 - 7451

Local Office Telephone No. (Include Area Code)

(520) 387 - 7627

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: Richard C. Adkerson President
(Name) (Title)

One North Central Avenue
(Street)

Phoenix
(City)

AZ
(State)

85004
(Zip)

(602) 366 - 8100

Telephone No. (Include Area Code)

(602) 366 - 7312

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

On Site Manager: Raymond Romero
(Name)

P. O Drawer 9
(Street)

Ajo
(City)

AZ
(State)

85321
(Zip)

(520) 387 - 7451

Telephone No. (Include Area Code)

(520) 387 - 7627

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address Raymond_Romero2@fmi.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: C T Corporation System
(Name)
2394 E. Camelback Road Phoenix AZ 85016
(Street) (City) (State) (Zip)
(602) 277 - 4792
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Douglas N. Currault II
(Name)
One North Central Avenue Phoenix AZ 85004
(Street) (City) (State) (Zip)
(602) 366 - 8100 (602) 366 - 7312
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment	671,139	639,848	31,291
330	Distribution Reservoirs and Standpipes	194,594	185,152	9,442
331	Transmission and Distribution Mains	487,756	486,338	1,418
333	Services	73,312	72,648	664
334	Meters and Meter Installations	26,445	23,498	2,947
335	Hydrants	23,955	22,213	1,742
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,348	1,348	0
341	Transportation Equipment	29,925	29,925	0
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,508,474	1,460,970	47,504

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment	671,139	0.5282	3,545
330	Distribution Reservoirs and Standpipes	194,594	1.7405	3,387
331	Transmission and Distribution Mains	487,756	0.7483	3,650
333	Services	73,312	0.0641	47
334	Meters and Meter Installations	26,445	1.2327	326
335	Hydrants	23,955	0.1545	37
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,348	0.0000	0
341	Transportation Equipment	29,925	0.0000	0
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,508,474		10,992

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct .No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$1,089,408	\$1,328,971
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	298,993	369,027
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	56,402	106,430
162	Prepayments	6,367	0
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$1,451,170	\$1,804,428
	Long-term Non Recurring Receivable - Other	\$567,860	\$440,861
	FIXED ASSETS		
101	Utility Plant in Service	\$3,753,367	\$3,921,272
103	Property Held for Future Use		
105	Construction Work in Progress	1,397,333	7,320,124
108	Accumulated Depreciation – Utility Plant	(2,604,646)	(2,677,238)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$2,546,054	\$8,564,158
	Deferred Charges	15,000	0
	TOTAL ASSETS	\$4,580,083	\$10,809,448

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

* All amounts represent the three departments: electric, water and sewer

COMPANY NAME	Ajo Improvement Company
--------------	-------------------------

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$7,283,995	\$16,680,632
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	27,682	34,156
235	Customer Deposits		
236	Accrued Taxes	65,288	130,786
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$7,376,965	16,845,574
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$311,963	\$311,963
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$0	\$0
	TOTAL LIABILITIES	\$7,688,928	\$17,157,537
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$392,000	\$414,065
211	Paid in Capital in Excess of Par Value	3,144,545	3,144,545
215	Retained Earnings	(6,645,390)	(9,906,699)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$(3,108,845)	\$(6,348,089)
	TOTAL LIABILITIES AND CAPITAL	\$4,580,083	\$10,809,448

* All amounts represent the three departments: electric, water and sewer

COMPANY NAME	Ajo Improvement Company
--------------	-------------------------

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	615,998	618,471
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	615,998	618,471
	OPERATING EXPENSES		
601	Salaries and Wages	127,992	190,385
610	Purchased Water	765,746	953,180
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance	37,782	52,640
621	Office Supplies and Expense	13,954	72,601
630	Outside Services	500,362	1,374,116
635	Water Testing		
641	Rents	927	600
650	Transportation Expenses		
657	Insurance – General Liability	7,593	8,214
659	Insurance - Health and Life	61,030	88,130
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	78,358	94,730
403	Depreciation Expense *	10,992	* 272,942
408	Taxes Other Than Income	1,358	2,985
408.11	Property Taxes	22,407	26,430
409	Income Tax		
	TOTAL OPERATING EXPENSES	1,628,501	3,136,953
	OPERATING INCOME/(LOSS)	(1,012,503)	(2,518,482)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	10,400	10,400
	TOTAL OTHER INCOME/(EXPENSE)	10,400	10,400
	NET INCOME/(LOSS)	(1,022,903)	(2,528,882)

* Represents corrective reclass from other utility department(s)

COMPANY NAME	Ajo Improvement Company
---------------------	--------------------------------

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	10/10/1985			
Source of Loan	Promissory Note			
ACC Decision No.	54709			
Reason for Loan	To fund facilities acquired or to be acquired from Freeport-McMoRan (formerly Phelps Dodge)			
Dollar Amount Issued	\$311,963	\$	\$	\$
Amount Outstanding	\$311,963	\$	\$	\$
Date of Maturity	12/31/08			
Interest Rate	10%	%	%	%
Current Year Interest	\$31,200	\$	\$	\$
Current Year Principle	\$0	\$	\$	\$

* All amounts represent the three departments: electric, water and sewer

Meter Deposit Balance at Test Year End	\$ 0
Meter Deposits Refunded During the Test Year	\$ 0

COMPANY NAME	Ajo Improvement Company
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
None						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Freeport-McMoRan Corporation (Ajo Operations)	1,050	176,946

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		133	-0-

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	4	N/A	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Copper/Plastic	2,100/300
3	Cast Iron	1,200
4	Plastic/Steel	900/1,200
5	Cast Iron	7,600
6	Cement ASBE/ Plastic	11,300/600
8	Steel/ Cast Iron	600/9,500
10	Cement ASBE/ Ductile Iron	11,400/13,060
12	Cement ASBE/ Ductile Iron	3,300/3,900
Total		66,960

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1059
3/4	
1	20
1 1/2	1
2	15
Comp. 3	
Turbo 3	7
Comp. 4	
Turbo 4	2
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

Three (3) filter vessels using Activated Alumina as a filter medium. 10' diameter x 24' height.

STRUCTURES:

One (1) Operator Control Room 10' x 20'

OTHER:

None

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,123	12,692.5	11,634.9	12,665.2
FEBRUARY	1,124	10,472.0	10,106.6	11,197.1
MARCH	1,115	12,145.9	10,739.2	12,209.8
APRIL	1,117	12,647.7	10,378.4	12,392.0
MAY	1,114	17,578.8	14,805.4	17,483.0
JUNE	1,108	15,670.1	15,670.1	15,507.1
JULY	1,105	18,016.9	18,016.9	14,348.5
AUGUST	1,110	15,243.8	15,243.8	16,255.0
SEPTEMBER	1,103	15,013.6	15,013.6	14,603.4
OCTOBER	1,103	15,717.8	15,717.8	16,669.0
NOVEMBER	1,111	14,140.4	14,140.4	12,599.4
DECEMBER	1,117	9,173.7	9,173.7	10,717.7
TOTALS →		168,513.2	160,640.8	166,647.2

What is the level of arsenic for each well on your system? N/A mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Ajo Improvement Company YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 26,429.80

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 25 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, ~~THE~~ UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
PIMA
NAME (OWNER OR OFFICIAL) TITLE
Hugh O. Donahue, Vice President
COMPANY NAME
Ajo Improvement Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

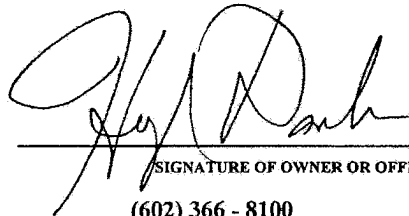
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(602) 366 - 8100

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

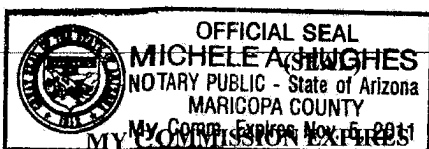
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

24th

DAY OF

COUNTY NAME
<u>Maricopa</u>
MONTH
<u>April</u>
YEAR
<u>2008</u>





SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Ajo Improvement Company YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

Ajo Improvement Company consolidates with its parent company, Freeport-McMoRan Copper & Gold Inc.

State Taxable Income Reported
Estimated or Actual State Tax Liability

Same as above

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

N/A
N/A
N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/24/08
DATE

Hugh O. Donahue on behalf of
Richard C. Adkerson
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 25 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA
NAME (OWNER OR OFFICIAL) TITLE Hugh O. Donahue, Vice President
COMPANY NAME Ajo Improvement Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 618,471

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 999
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**




SIGNATURE OF OWNER OR OFFICIAL
(602) 366 - 8100

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

 **OFFICIAL SEAL**
MICHELE A. HUGHES
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires Nov. 5, 2011

24th DAY OF

COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	. <u>2008</u>



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES November 5, 2011

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

APR 25 2008

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA	
NAME (OWNER OR OFFICIAL)	Hugh O. Donahue	TITLE Vice President
COMPANY NAME	Ajo Improvement Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

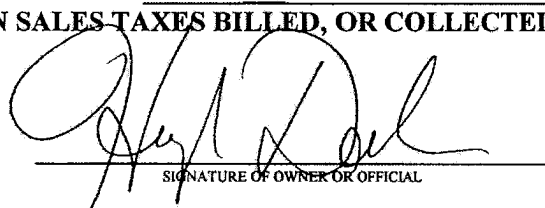
\$ 280,337

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 999

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

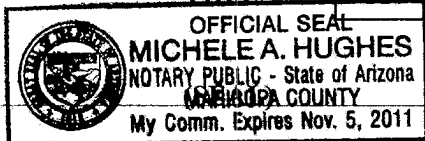

SIGNATURE OF OWNER OR OFFICIAL
(602) 366 - 8100
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 24th **DAY OF**

NOTARY PUBLIC NAME Michele A. Hughes	
COUNTY NAME Maricopa	
MONTH April	YEAR 2008



MY COMMISSION EXPIRES November 5, 2011

X Michele A. Hughes
SIGNATURE OF NOTARY PUBLIC



Trial Balance by FERC Account
321 Ajo Improvement Company
 Year = 2007 Period = 12

Page 1 of 6
 4/25/2008 2:07:44 PM

	Beginning Balance	Ending Balance	Current Changes	January 1 Balance	Year To Date Changes
Assets					
Current Assets					
11310100000000 - Cash - Site Managed Account #3	992,425.57	1,327,971.49	335,545.92	1,088,408.19	239,563.30
11310200000000 - Cash - Cash on Hand	1,000.00	1,000.00	0.00	1,000.00	0.00
Cash	993,425.57	1,328,971.49	335,545.92	1,089,408.19	239,563.30
11420100000000 - A/R - Utility Payments	242,680.48	269,026.68	26,346.20	222,476.20	46,550.48
11420300000000 - A/R - ACC Bank Balance	100,000.00	100,000.00	0.00	100,000.00	0.00
Accounts Receivable	342,680.48	369,026.68	26,346.20	322,476.20	46,550.48
11420200000000 - A/R - Utility Payments	0.00	0.00	0.00	0.00	0.00
Accounts Receivables	0.00	0.00	0.00	0.00	0.00
11420400000000 - ADA - Misc. - Utility Payments	0.00	0.00	0.00	-23,483.61	23,483.61
Allowance for Doubtful Accounts	0.00	0.00	0.00	-23,483.61	23,483.61
11540100000000 - Supplies - Warehouse Inventory	0.00	0.00	0.00	0.00	0.00
11540110000000 - Supplies - WHSE-Inv-Contra Acc	76,215.15	106,429.99	30,214.84	56,401.83	50,028.16
Supply	76,215.15	106,429.99	30,214.84	56,401.83	50,028.16
11420540000000 - Prepaid Deposits	0.00	0.00	0.00	6,366.65	-6,366.65
Prepaid Expenses	0.00	0.00	0.00	6,366.65	-6,366.65
*** Total Current Assets	1,412,321.20	1,804,428.16	392,106.96	1,451,169.26	353,258.90
Investment & Long-Term Rec					
11823510000000 - Non Recurring Other/Util- B.B.	567,860.00	567,860.00	0.00	567,860.00	0.00
11823530000000 - Non Recurring Other/Util- Tran	-104,702.44	-126,998.78	-22,296.34	0.00	-126,998.78
N/R-Long-Term Rec Other	463,157.56	440,861.22	-22,296.34	567,860.00	-126,998.78
*** Total Investment & Long-Term Rec	463,157.56	440,861.22	-22,296.34	567,860.00	-126,998.78
Fixed Assets					
11010200000000 - Electric Plant In Service - BB	1,688,879.15	1,688,879.15	0.00	1,688,879.15	0.00
11070010000000 - Ele Machinery /CIP-Beg Bal	1,397,332.73	1,397,332.73	0.00	1,397,332.73	0.00
11071000000000 - Machinery/CIP-Additions	1,570,724.24	2,001,156.08	430,431.84	0.00	2,001,156.08
11079900000000 - Machinery/CIP - Trans to Asset	-167,905.58	-167,905.58	0.00	0.00	-167,905.58
21010000000000 - Water Plt Asset Additions	32,861.79	32,861.79	0.00	0.00	32,861.79
21010200000000 - Water Plant In Service - BB	1,508,474.02	1,508,474.02	0.00	1,508,474.02	0.00
21070016507010 - Water Machinery/CIP-Additions	2,778,070.45	3,765,489.25	987,418.80	0.00	3,765,489.25
31010000000000 - Sewer Plt Asset Additions	135,043.79	135,043.79	0.00	0.00	135,043.79
31010200000000 - Sewer Plant In Service - BB	556,014.02	556,014.02	0.00	556,014.02	0.00
31070016507010 - Sewer Machinery/CIP-Additions	106,265.92	324,051.37	217,785.45	0.00	324,051.37
Plant & Equipment	9,605,760.53	11,241,396.62	1,635,636.09	5,150,699.92	6,090,696.70
11260200000000 - Depreciation Fund -Beg Balance	-774,439.02	-774,439.02	0.00	-774,439.02	0.00
11261000000000 - Depreciation Fund-Current Year	-41,077.86	-45,008.60	-3,930.74	0.00	-45,008.60
21260200000000 - Depreciation Fund -Beg Balance	-1,460,969.75	-1,460,969.75	0.00	-1,460,969.75	0.00
21261000000000 - Depreciation Fund-Current Year	-271,980.17	-272,941.78	-961.61	0.00	-272,941.78
31260200000000 - Depreciation Fund -Beg Balance	-369,237.10	-369,237.10	0.00	-369,237.10	0.00
31261000000000 - Depreciation Fund-Current Year	247,249.82	245,357.99	-1,891.83	0.00	245,357.99
Accumulated Depreciation	-2,670,454.08	-2,677,238.26	-6,784.18	-2,604,645.87	-72,592.39
*** Total Fixed Assets	6,935,306.45	8,564,158.36	1,628,851.91	2,546,054.05	6,018,104.31
Deferred Charges					
11823000000000 - Other Regulatory Assets - B.B.	15,000.01	15,000.01	0.00	15,000.01	0.00



Trial Balance by FERC Account
321 Ajo Improvement Company
Year = 2007 Period = 12

Page 2 of 6
4/25/2008 2:07:44 PM

	Beginning Balance	Ending Balance	Current Changes	January 1 Balance	Year To Date Changes
11823400000000 - Deferred Other - Amortization	-13,750.01	-15,000.01	-1,250.00	0.00	-15,000.01
Deferred Others	1,250.00	0.00	-1,250.00	15,000.01	-15,000.01
*** Total Deferred Charges	1,250.00	0.00	-1,250.00	15,000.01	-15,000.01
***** Total Assets	8,812,035.21	10,809,447.74	1,997,412.53	4,580,083.32	6,229,364.42

Liabilities and Shareholder's Equity

Current Liabilities

12321000000000 - Invoices Payable - Trade	0.00	0.00	0.00	0.00	0.00
12321010000000 - Invoices Payable - Trade Contr	-1,581,562.72	-485,100.37	1,096,462.35	-214,550.32	-270,550.05
12335000000000 - I/C Payable - PD Miami Smelter	0.00	0.00	0.00	0.00	0.00
12335300000000 - I/C Payable - New Cornelia	-3,807,948.19	-3,898,120.83	-90,172.64	-3,593,409.69	-304,711.14
12335320000000 - I/C Payable - Luna	-875,522.00	-950,907.00	-75,385.00	-65,000.00	-885,907.00
12335400000000 - I/C Payable - Phelps Dodge Cor	-8,236,916.89	-11,468,623.87	-3,231,706.98	-3,415,537.74	-8,053,086.13
12335910000000 - MRNI / General Contra Acct	0.00	0.00	0.00	0.36	-0.36
12336000000000 - A/P Unclaimed Property	0.00	0.00	0.00	-160.39	160.39
12415800000000 - Acc Utilities - Power	111,985.82	122,120.39	10,134.57	4,662.95	117,457.44
Accounts Payable	-14,389,963.98	-16,680,631.68	-2,290,667.70	-7,283,994.83	-9,396,636.85
12421000000000 - Accrued Rent / Lease - Propert	-11,114.07	378.46	11,492.53	0.00	378.46
12422000000000 - Accrued Wages & Salaries	-31,613.40	-34,534.70	-2,921.30	-24,100.33	-10,434.37
12423100000000 - Accrued Medical - Beg. Bal.	0.00	0.00	0.00	-3,581.35	3,581.35
12423200000000 - Accrued Medical - Additions	0.00	0.00	0.00	0.00	0.00
Accrued Expenses	-42,727.47	-34,156.24	8,571.23	-27,681.68	-6,474.56
12360100000000 - Accrued Property Tax	-57,736.53	-62,985.30	-5,248.77	-10,379.13	-52,606.17
12360200000000 - Accrued FICA Taxes	-2,418.42	-2,641.90	-223.48	-1,843.68	-798.22
12360500000000 - Accrued Privilege Tax	-8,923.02	-8,517.48	405.54	-8,876.46	358.98
12360800000000 - Environmental Surcharge	-55,585.12	-56,641.85	-1,056.73	-44,188.88	-12,452.97
Accrued Taxes	-124,663.09	-130,786.53	-6,123.44	-65,288.15	-65,498.38
*** Total Current Liabilities	-14,557,354.54	-16,845,574.45	-2,288,219.91	-7,376,964.66	-9,468,609.79

Long Term Liabilities

12247000000000 - Long Term Debt - Installment L	-311,963.00	-311,963.00	0.00	-311,963.00	0.00
Long Term Debt	-311,963.00	-311,963.00	0.00	-311,963.00	0.00
*** Total Long Term Liabilities	-311,963.00	-311,963.00	0.00	-311,963.00	0.00

Shareholder's Equity

12010000000000 - Common Stock Issued - PDC	-392,000.00	-392,000.00	0.00	-392,000.00	0.00
12010000000001 - Cap In Excess of Par Adjustmnt	-22,063.92	-22,063.92	0.00	0.00	-22,063.92
12110100000000 - A. P. to Assoc. Co.- Cont. Cap	-3,144,546.05	-3,144,546.05	0.00	-3,144,546.05	0.00
Common Stock	-3,558,609.97	-3,558,609.97	0.00	-3,536,546.05	-22,063.92
12230200000000 - I/C - MIMS 4.3 Automated Clear	1.51	1.51	0.00	1.51	0.00
I/C Automated Company Clearing	1.51	1.51	0.00	1.51	0.00
12150000000000 - Retained Earnings	2,700,737.03	2,700,737.03	0.00	2,700,737.03	0.00
22150000000000 - Retained Earnings	2,406,969.31	2,406,969.31	0.00	2,406,969.31	0.00
32150000000000 - Retained Earnings	1,537,682.53	1,537,682.53	0.00	1,537,682.53	0.00
42150000000000 - Retained Earnings	0.01	0.01	0.00	0.01	0.00
Retained Earnings	6,645,388.88	6,645,388.88	0.00	6,645,388.88	0.00
*** Total Shareholder's Equity	3,086,780.42	3,086,780.42	0.00	3,108,844.34	-22,063.92



Trial Balance by FERC Account
321 Ajo Improvement Company
Year = 2007 Period = 12

Page 3 of 6
4/25/2008 2:07:44 PM

	Beginning Balance	Ending Balance	Current Changes	January 1 Balance	Year To Date Changes
***** Total Liabilities and Shareholder's Equity	-11,782,537.12	-14,070,757.03	-2,288,219.91	-4,580,083.32	-9,490,673.71
Net(Income)/Loss					
Net(Income)/loss Before Taxes					
14002240800000 - Electric Revenue	-1,300,617.49	-1,397,781.05	-97,163.56	0.00	-1,397,781.05
14002272906000 - Electric Establishments & Re-E	-6,701.80	-7,313.20	-611.40	0.00	-7,313.20
14002272909900 - Electric Reconnect Fees	-340.00	-340.00	0.00	0.00	-340.00
14012250993500 - Electric Cost of Sales	64,701.26	91,424.16	26,722.90	0.00	91,424.16
14012251019900 - Electric Cost of Sales-Interco	810,522.00	885,907.00	75,385.00	0.00	885,907.00
14022260100101 - Salaries	107,684.75	114,267.35	6,582.60	0.00	114,267.35
14022260200100 - Bonus	465.51	39,269.84	38,804.33	0.00	39,269.84
14022262160000 - Computer Software	2,750.00	2,750.00	0.00	0.00	2,750.00
14022262440100 - Gasoline	-301.92	-301.92	0.00	0.00	-301.92
14022262999900 - Other Operating Supplies	24,943.43	31,953.05	7,009.62	0.00	31,953.05
14022266400000 - Utilities - Communications	14,675.92	16,075.57	1,399.65	0.00	16,075.57
14022272013501 - Outside Svcs - Contr. Labor	562,600.57	562,650.05	49.48	0.00	562,650.05
14022272015001 - Professional Fees - Legal	7,960.39	18,225.67	10,265.28	0.00	18,225.67
14022272017001 - Professional Fees - Engineering	139,023.07	139,023.07	0.00	0.00	139,023.07
14022272019999 - Outside Services - OTHER	-6,107.19	-6,016.55	90.64	0.00	-6,016.55
14022272100100 - Insurance - Consolidated Risk	7,984.55	8,213.99	229.44	0.00	8,213.99
14022272202000 - Rent / Leases - Property / Ge	650.00	750.00	100.00	0.00	750.00
14022272209900 - Rent / Leases - OTHER	11,114.07	12,124.42	1,010.35	0.00	12,124.42
14022272300500 - Printing / Stationary	964.59	1,035.03	70.44	0.00	1,035.03
14022272302000 - Postage	1,708.07	1,831.97	123.90	0.00	1,831.97
14022272304000 - Dues, Books & Subscriptions	38.33	38.33	0.00	0.00	38.33
14022272400600 - On Site Meals - Cater Meals	484.84	609.84	125.00	0.00	609.84
14022272403000 - Employee Develop & Training	50.00	50.00	0.00	0.00	50.00
14022272403500 - Employee Relocation Expense	0.00	366.35	366.35	0.00	366.35
14022272404000 - Employee Travel	179.56	179.56	0.00	0.00	179.56
14022272809940 - Misl. Taxes, Fees & Filings	943.27	943.27	0.00	0.00	943.27
14022272809990 - Permits & Licenses	1,666.00	1,666.00	0.00	0.00	1,666.00
14022275011100 - Allocation of Benefits	60,871.18	65,917.83	5,046.65	0.00	65,917.83
14022280990000 - Other Expenses	35.34	35.34	0.00	0.00	35.34
14022282200000 - Advertising	407.50	489.31	81.81	0.00	489.31
14022282400000 - Allowance for Doubtful Account	4,047.08	4,108.22	61.14	0.00	4,108.22
14028372016000 - Outside Svcs - Environmental	787.00	787.00	0.00	0.00	787.00
14032274103000 - Electric - Depreciation	41,077.86	45,008.60	3,930.74	0.00	45,008.60
14082272800100 - Real Property Taxes	83,856.76	85,986.54	2,129.78	0.00	85,986.54
14082272804000 - Sales & Use Tax	905.44	998.73	93.29	0.00	998.73
14082272809940 - Misl. Taxes, Fees & Filings	4,058.43	4,058.43	0.00	0.00	4,058.43
14086572013501 - CAP Electric Contr. Labor	0.00	0.00	0.00	0.00	0.00
14272291000301 - Electric - Interest Expense	9,533.36	10,400.03	866.67	0.00	10,400.03
Electric Net (Income)/Loss	652,621.73	735,391.83	82,770.10	0.00	735,391.83
24002340800000 - Water Revenue	-580,839.82	-618,471.10	-37,631.28	0.00	-618,471.10
24002372906000 - Water Establishments & Re-Est.	-6,103.00	-6,719.15	-616.15	0.00	-6,719.15
24002372909900 - Water Reconnect Fees	-3,815.00	-4,265.00	-450.00	0.00	-4,265.00
24012350993500 - Water Cost of Sales	907,058.15	953,180.51	46,122.36	0.00	953,180.51
24022360100101 - Salaries	138,055.66	151,115.74	13,060.08	0.00	151,115.74
24022360200100 - Bonus	465.51	39,269.84	38,804.33	0.00	39,269.84
24022362440100 - Gasoline	-301.92	-301.92	0.00	0.00	-301.92
24022362999900 - Other Operating Supplies	23,127.33	27,083.17	3,955.84	0.00	27,083.17
24022364010000 - Maintenance & Repair Parts	21,143.50	25,557.34	4,413.84	0.00	25,557.34
24022366400000 - Utilities - Communications	2,471.77	2,804.50	332.73	0.00	2,804.50



Trial Balance by FERC Account
321 Ajo Improvement Company
 Year = 2007 Period = 12

Page 4 of 6
 4/25/2008 2:07:44 PM

	Beginning Balance	Ending Balance	Current Changes	January 1 Balance	Year To Date Changes
24022372013501 - Outside Svcs - Contr. Labor	1,236,019.56	1,236,069.04	49.48	0.00	1,236,069.04
24022372015001 - Professional Fees - Legal	13,548.96	15,399.09	1,850.13	0.00	15,399.09
24022372017001 - Professional Fees - Engineering	90,616.72	90,616.72	0.00	0.00	90,616.72
24022372019999 - Outside Services - Other	128,012.90	138,046.79	10,033.89	0.00	138,046.79
24022372100100 - Insurance - Consolidated Risk	7,984.43	8,213.86	229.43	0.00	8,213.86
24022372202000 - Rent / Leases - Property / Ge	550.00	600.00	50.00	0.00	600.00
24022372300500 - Printing / Stationary	625.56	696.00	70.44	0.00	696.00
24022372302000 - Postage	2,033.58	2,157.48	123.90	0.00	2,157.48
24022372304000 - Dues, Books & Subscriptions	38.33	38.33	0.00	0.00	38.33
24022372400600 - On-Site Meetings - Catered Mea	412.49	537.49	125.00	0.00	537.49
24022372403000 - Employee Develop & Training	50.00	50.00	0.00	0.00	50.00
24022372403500 - Employee Relocation Expense	0.00	60,641.36	60,641.36	0.00	60,641.36
24022372404000 - Employee Travel	79.53	79.53	0.00	0.00	79.53
24022372809990 - Permits & Licenses	1,997.00	1,997.00	0.00	0.00	1,997.00
24022375011100 - Allocation of Benefits	78,036.30	88,129.61	10,093.31	0.00	88,129.61
24022380990000 - Other Expenses	168.84	168.84	0.00	0.00	168.84
24022382200000 - Advertising	265.00	346.81	81.81	0.00	346.81
24022382400000 - Allowance for Doubtful Account	2,790.97	3,083.64	292.67	0.00	3,083.64
24032374103000 - Water - Depreciation	271,980.17	272,941.78	961.61	0.00	272,941.78
24082372800100 - Real Property Taxes	23,804.32	26,429.80	2,625.48	0.00	26,429.80
24082372804000 - Sales & Use Tax	905.41	998.69	93.28	0.00	998.69
24082372809940 - Misc. Taxes, Fees & Filings	1,986.25	1,986.25	0.00	0.00	1,986.25
24086572013501 - CAP Water Contr. Labor	0.00	0.00	0.00	0.00	0.00
24086572017001 - CAP Water Prof Fees Eng.	0.00	0.00	0.00	0.00	0.00
24272391000301 - Water - Interest Expense	9,533.37	10,400.04	866.67	0.00	10,400.04
Water Net (Income)/Loss	2,372,701.87	2,528,882.08	156,180.21	0.00	2,528,882.08
34002440800000 - Sewer Revenue	-143,067.64	-158,522.45	-15,454.81	0.00	-158,522.45
34002472906000 - Sewer Establishments & Re-Est.	-5,703.14	-6,319.08	-615.94	0.00	-6,319.08
34002472909900 - Sewer Reconnect Fees	-295.00	-295.00	0.00	0.00	-295.00
34022460100101 - Salaries	73,571.37	80,278.65	6,707.28	0.00	80,278.65
34022460200100 - Bonus	465.51	39,269.85	38,804.34	0.00	39,269.85
34022462440100 - Gasoline	-301.92	-301.92	0.00	0.00	-301.92
34022462999900 - Other Operating Supplies	27,242.45	31,698.29	4,455.84	0.00	31,698.29
34022464010000 - Maintenance & Repair Parts	83.41	83.41	0.00	0.00	83.41
34022466200000 - Utilities - Purchased Power &	543.44	593.42	49.98	0.00	593.42
34022466400000 - Utilities - Communications	2,470.56	2,803.26	332.70	0.00	2,803.26
34022472013501 - Outside Services - Contr/Labor	-73,792.98	-73,743.51	49.47	0.00	-73,743.51
34022472015001 - Professional Fees - Legal	13,549.97	15,400.11	1,850.14	0.00	15,400.11
34022472019999 - Outside Services - OTHER	157,234.70	158,622.70	1,388.00	0.00	158,622.70
34022472202000 - Rent / Leases - Property / Ge	13,750.00	15,000.00	1,250.00	0.00	15,000.00
34022472300500 - Printing / Stationary	681.98	752.41	70.43	0.00	752.41
34022472302000 - Postage	1,977.26	2,101.16	123.90	0.00	2,101.16
34022472304000 - Dues, Books & Subscriptions	38.34	38.34	0.00	0.00	38.34
34022472400600 - On Site Meals - Cater Meals	362.14	462.14	100.00	0.00	462.14
34022472403000 - Employee Develop & Training	50.00	50.00	0.00	0.00	50.00
34022472404000 - Employee Travel	79.53	79.53	0.00	0.00	79.53
34022472809990 - Permits & Licenses	1,667.00	1,667.00	0.00	0.00	1,667.00
34022475011100 - Allocation of Benefits	41,890.33	47,357.54	5,467.21	0.00	47,357.54
34022480990000 - Other Expenses	35.34	35.34	0.00	0.00	35.34
34022482200000 - Advertising	107.50	189.32	81.82	0.00	189.32
34022482400000 - Allowance for Doubtful Account	1,474.77	1,480.48	5.71	0.00	1,480.48
34028372016000 - Outside Svcs - Environmental	61,909.01	65,754.73	3,845.72	0.00	65,754.73
34032474103000 - Sewer - Depreciation	-247,249.82	-245,357.99	1,891.83	0.00	-245,357.99
34082472800100 - Real Property Taxes	3,979.26	4,472.77	493.51	0.00	4,472.77



Trial Balance by FERC Account
321 Ajo Improvement Company
 Year = 2007 Period = 12

Page 5 of 6
 4/25/2008 2:07:44 PM

	Beginning Balance	Ending Balance	Current Changes	January 1 Balance	Year To Date Changes
34082472804000 - Sales & Use Tax	905.41	998.69	93.28	0.00	998.69
34082472809940 - Misc. Taxes, Fees & Filings	1,986.26	1,986.26	0.00	0.00	1,986.26
34086572013501 - CAP Sewer Contr. Labor	0.00	0.00	0.00	0.00	0.00
34086572017001 - CAP Sewer Contr. Engineering	0.00	0.00	0.00	0.00	0.00
34272491000301 - Sewer - Interest Expense	9,533.27	10,399.93	866.66	0.00	10,399.93
Sewer Net (Income)/Loss	-54,821.69	-2,964.62	51,857.07	0.00	-2,964.62
44025475011100 - Allocation of Benefits	-335,130.37	-377,185.81	-42,055.44	0.00	-377,185.81
44025475605030 - Shared Services - Financial	23,155.07	29,292.67	6,137.60	0.00	29,292.67
44025475605050 - Strategic Sourcing Hiring	540.00	540.00	0.00	0.00	540.00
44028560300150 - Taxes / FICA	49,411.45	56,022.93	6,611.48	0.00	56,022.93
44028560300160 - Taxes / FUI	1,929.63	1,929.63	0.00	0.00	1,929.63
44028560300180 - Taxes / SUI	100.57	100.57	0.00	0.00	100.57
44028560301062 - Holiday Pay	19,454.50	22,705.22	3,250.72	0.00	22,705.22
44028560301202 - Paid Time Off - Operations	68,069.27	79,325.96	11,256.69	0.00	79,325.96
44028560303000 - Retirement-FAS 87	-510.29	-1,895.17	-1,384.88	0.00	-1,895.17
44028560303001 - Retirement-FAS 87	0.00	0.00	0.00	0.00	0.00
44028560306001 - Workman's Compensation	28,216.58	29,956.42	1,739.84	0.00	29,956.42
44028560307003 - Grp. Ins. Medical Salary	4,200.00	4,200.00	0.00	0.00	4,200.00
44028560307012 - Ins Dental - Salary	28,220.18	28,844.88	624.70	0.00	28,844.88
44028560307022 - Insurance-Vision Salary	1,149.13	1,263.03	113.90	0.00	1,263.03
44028560307030 - Insurance/Life	158.74	171.78	13.04	0.00	171.78
44028560307032 - Insurance/Life - Salary	5,183.76	5,699.48	515.72	0.00	5,699.48
44028560307052 - LTD Dividend Expense	3,235.50	3,524.64	289.14	0.00	3,524.64
44028560307057 - Insurance/Short Term Disabilit	186.48	204.24	17.76	0.00	204.24
44028560307082 - Insurance / FLEX	63,990.27	71,798.87	7,808.60	0.00	71,798.87
44028560308001 - Post Retirement - FAS 106	5,796.36	6,435.54	639.18	0.00	6,435.54
44028560308002 - Post Retirement - FAS 106	0.00	0.00	0.00	0.00	0.00
44028560309912 - Jury Duty	280.34	280.34	0.00	0.00	280.34
44028560309922 - Bereavement Pay	989.63	989.63	0.00	0.00	989.63
44028560309942 - Overtime Meals	3,655.04	4,834.52	1,179.48	0.00	4,834.52
44028560309985 - Legal Services	243.00	270.00	27.00	0.00	270.00
44028560309998 - Deferred Compensation	26,661.00	29,821.60	3,160.60	0.00	29,821.60
44028575605040 - PDC Share Services - Ben.Servi	814.16	869.03	54.87	0.00	869.03
Operating Expenses - 4 Series	0.00	0.00	0.00	0.00	0.00
64021260100101 - Salaries	284,620.81	311,665.11	27,044.30	0.00	311,665.11
64021260200100 - Bonus	465.52	465.52	0.00	0.00	465.52
64021262440100 - Gasoline	-301.92	-301.92	0.00	0.00	-301.92
64021262640500 - Reagents - Acid	10,301.94	10,787.00	485.06	0.00	10,787.00
64021262642000 - Reagents - Chloride	682.24	1,102.51	420.27	0.00	1,102.51
64021262642500 - Reagents - Caustic Soda	36,581.82	39,495.03	2,913.21	0.00	39,495.03
64021262649000 - Reagents - Activated Alumina	41,404.33	41,404.33	0.00	0.00	41,404.33
64021262999900 - Other Operating Supplies	11,749.37	13,340.18	1,590.81	0.00	13,340.18
64021266400000 - Utilities - Communications	174.26	174.26	0.00	0.00	174.26
64021272013501 - Outside Svcs - Contr. Labor	63,585.74	56,774.42	-6,811.32	0.00	56,774.42
64021272019999 - Outside Services - OTHER	114,142.67	114,142.67	0.00	0.00	114,142.67
64021272403000 - Employee Develop & Training	250.00	250.00	0.00	0.00	250.00
64021275011100 - Allocation of Benefits	154,332.56	175,780.83	21,448.27	0.00	175,780.83
64021275200400 - Water Treatment Plant Redist	-717,989.34	-765,079.94	-47,090.60	0.00	-765,079.94
Operating Expenses - 6 Series	0.00	0.00	0.00	0.00	0.00
*** Total Net(Income)/loss Before Taxes	2,970,501.91	3,261,309.29	290,807.38	0.00	3,261,309.29



Trial Balance by FERC Account
321 Ajo Improvement Company
Year = 2007 Period = 12

Page 6 of 6
4/25/2008 2:07:44 PM

	Beginning Balance	Ending Balance	Current Changes	January 1 Balance	Year To Date Changes
***** Total Net(Income)/Loss	<u>2,970,501.91</u>	<u>3,261,309.29</u>	<u>290,807.38</u>	<u>0.00</u>	<u>3,261,309.29</u>
Report Balance	0.00	0.00	0.00	0.00	0.00

[illegible]

DETACH AND RETURN WITH PAYMENT



2007 FIRST HALF PAYMENT STUB
DUE OCTOBER 1, 2007
DELINQUENT AFTER NOV. 1, 2007
AJ0 IMPROVEMENT COMPANY

MAKE CHANGES TO MAILING ADDRESS BELOW
OR GO TO <http://treasurer.maricopa.gov>

PARCEL/ACCOUNT # 403-45-031 6

PRINT THE ABOVE PARCEL / ACCOUNT
NUMBER ON YOUR CHECK

U.S. FUNDS ONLY

PLEASE CHECK WHICH PAYMENT APPLIES

FIRST HALF	\$	134.82
------------	----	--------

The law allows payment of the full year by December 31
2007, without an interest penalty on the first half.

FULL YEAR	\$	269.64
-----------	----	--------

MAKE CHECK PAYABLE TO:

Maricopa County Treasurer
P O Box 52133
Phoenix, AZ 85072-2133

0700000000010000002696400000013482403450310062

AJO IMPROVEMENT COMPANY

Voucher No.:
Check Number:

CHECK REQUISITION

Pay to the Order of:

Date _____

Name Pima County Treasurer

Address Post Office Box 29011

City and State Phoenix, AZ 85038-9011

October 1 2007

Month	Day	Year
-------	-----	------

Amount

\$ 31,357.84

Justification:

1st Half 2007 Proper Taxes

968 01 5000, 868 01 5000, 980 01 5000, 900 41 5000

[illegible]

Requested by:

Approved By:

2007 FIRST HALF PAYMENT COUPON

Due October 1, 2007

Amount Due 12,723.98

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid using the first payment coupon—due October 1, 2007.

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

AJO IMPROVEMENT CO (T&D)

968 01 5000

Print the above state code # on your check.

Payment in U.S. FUNDS ONLY

Make check payable to:

Pima County Treasurer

Please indicate the amount of your payment.

\$



Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011

☐

Would you like a receipt?
Check here.

☐

Change of mailing address? Please
check here and fill out the form on the
back of this slip.

2007 9680150001 1 00002544795 00001272398

2007 FIRST HALF PAYMENT COUPON

Due October 1, 2007

Amount Due 52.40

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid using the first payment coupon—due October 1, 2007.

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

AJO IMPROVEMENT CO (CWIP)

868 01 5000

Print the above state code # on your check.

Payment in U.S. FUNDS ONLY

Make check payable to:

Pima County Treasurer

Please indicate the amount of your payment.

\$



Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011

☐

Would you like a receipt?
Check here.

☐

Change of mailing address? Please
check here and fill out the form on the
back of this slip.

2007 8680150003 1 00000005240 00000005240

2007 FIRST HALF PAYMENT COUPON

Due October 1, 2007

Amount Due 2,948.40

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid using the first payment coupon—due October 1, 2007.

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

AJO IMPROVEMENT COMPANY

980 01 5000

Print the above state code # on your check.

Payment in U.S. FUNDS ONLY

Make check payable to:

Pima County Treasurer

Please indicate the amount of your payment.

\$



Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011

☐

Would you like a receipt?
Check here.

☐

Change of mailing address? Please
check here and fill out the form on the
back of this slip.

2007 9800150006 1 00000589680 00000294840

2007 FIRST HALF PAYMENT COUPON

Due October 1, 2007

Amount Due 15,633.06

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after 5:00 P.M. November 1, 2007 (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid using the first payment coupon—due October 1, 2007.

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2007. Delinquent interest will be waived.

DEPOSIT AND RETURN WITH PAYMENT 2007 FIRST HALF PAYMENT COUPON 900 41 5000

900 41 5000

Print the above state code # on your check
Payment in U.S. FUNDS ONLY

Make check payable to:

Pima County Treasurer

Please indicate the amount of your payment

\$



**Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
PO BOX 29011
Phoenix AZ 85038-9011**

Would you like a receipt?
Check here.

☐

Change of mailing address? Please
check here and fill out the form on the
back of this slip.

☐

2007 9004150000 1 00003126612 00001563306

[illegible]

Beth Ford
Pima County Treasurer
(520) 740-8341



Patti Davidson
Chief Deputy Treasurer
(520) 740-3785

Pima County Treasurer

NOTICE OF PAST DUE REAL ESTATE TAXES

AJO IMPROVEMENT CO - WATER UTILITY
ATTN: R M SMITH/STAFF ACCOUNTANT
PO DRAWER 9
AJO AZ
85321

BOOK	MAP	PARCEL	PROPERTY DESCRIPTION
900	41	5000	TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER GROUP NO 004

Pursuant to Arizona Revised Statute 42-18103 you are hereby notified that the property described above, listed on the tax roll of Pima County, Arizona, has delinquent taxes, interest and fees in the amount stated below. THIS TAX LIEN WILL BE SUBJECT TO SALE IN **FEBRUARY 2008** UNLESS PAID PRIOR TO THAT DATE. A lien may have been previously sold if these taxes have been subject to a prior tax lien sale.

Certificate Number or Tax Year(s)	Amount
2006	\$16,420.42
TOTAL AMOUNT DUE IF PAID BY AUGUST 31, 2007:	\$16,420.42

08-07-07PAG:18 RCVD

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

DETACH AND RETURN WITH PAYMENT

DELINQUENT TAX PAYMENT

IF PAID BY **AUGUST 31, 2007**
TOTAL AMOUNT DUE **\$16,420.42**

AJO IMPROVEMENT CO - WATER UTILITY
900 41 5000

Payments postmarked after the above date will accrue
additional interest. (ARS 42-18052 and ARS 42-18053)

Print the above state code # on your check.
Payment in U.S. FUNDS ONLY.

Make Checks Payable to: Beth Ford, Pima County
Treasurer

Mail Payments to:

Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, AZ 85701-1199

☐ Would you like a receipt? Check here.

Beth Ford
Pima County Treasurer
(520) 740-8341



Patti Davidson
Chief Deputy Treasurer
(520) 740-3785

Pima County Treasurer
NOTICE OF PAST DUE REAL ESTATE TAXES

AJO IMPROVEMENT COMPANY
SEWER UTILITY
ATTN: R. M. SMITH/STAFF ACCOUNTANT
PO DRAWER 9
AJO AZ 85321

BOOK	MAP	PARCEL	PROPERTY DESCRIPTION
980	01	5000	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 800

Pursuant to Arizona Revised Statute 42-18103 you are hereby notified that the property described above, listed on the tax roll of Pima County, Arizona, has delinquent taxes, interest and fees in the amount stated below. **THIS TAX LIEN WILL BE SUBJECT TO SALE IN FEBRUARY 2008 UNLESS PAID PRIOR TO THAT DATE.** A lien may have been previously sold if these taxes have been subject to a prior tax lien sale.

<u>Certificate Number or Tax Year(s)</u>	<u>Amount</u>
2006	\$2,697.13
TOTAL AMOUNT DUE IF PAID BY AUGUST 31, 2007:	\$2,697.13

08-07-07P05:18 RCVD

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

DETACH AND RETURN WITH PAYMENT

DELINQUENT TAX PAYMENT

IF PAID BY **AUGUST 31, 2007**
TOTAL AMOUNT DUE **\$2,697.13**

AJO IMPROVEMENT COMPANY
980 01 5000

Payments postmarked after the above date will accrue
additional interest. (ARS 42-18052 and ARS 42-18053)

Print the above state code # on your check.
Payment in U.S. FUNDS ONLY

Make Checks Payable to: Beth Ford, Pima County
Treasurer

Mail Payments to:
Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, AZ 85701-1199

☐ Would you like a receipt? Check here.

Beth Ford
Pima County Treasurer
(520) 740-8341



Patti Davidson
Chief Deputy Treasurer
(520) 740-3785

Pima County Treasurer
NOTICE OF PAST DUE REAL ESTATE TAXES

AJO IMPROVEMENT CO (T&D)
ATTN: RODNEY M SMITH
PO DRAWER 9
AJO AZ
85321

BOOK	MAP	PARCEL	PROPERTY DESCRIPTION
968	01	5000	TOTAL VALUE OF OPERATING PROPERTY TAXPAYER GROUP NO 680

Pursuant to Arizona Revised Statute 42-18103 you are hereby notified that the property described above, listed on the tax roll of Pima County, Arizona, has delinquent taxes, interest and fees in the amount stated below. THIS TAX LIEN WILL BE SUBJECT TO SALE IN **FEBRUARY 2008** UNLESS PAID PRIOR TO THAT DATE. A lien may have been previously sold if these taxes have been subject to a prior tax lien sale.

Certificate Number or Tax Year(s)	Amount
2006	\$13,527.62
TOTAL AMOUNT DUE IF PAID BY AUGUST 31, 2007:	\$13,527.62

08-07-07P05:18 RCV

THERE WILL BE A \$25 CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

DETACH AND RETURN WITH PAYMENT

DELINQUENT TAX PAYMENT

IF PAID BY **AUGUST 31, 2007**
TOTAL AMOUNT DUE **\$13,527.62**

AJO IMPROVEMENT CO (T&D)
968 01 5000

Payments postmarked after the above date will accrue
additional interest. (ARS 42-18052 and ARS 42-18053)

Print the above state code # on your check.
Payment in U.S. FUNDS ONLY.

Make Checks Payable to: Beth Ford, Pima County
Treasurer

Mail Payments to:

Beth Ford, Pima County Treasurer
Pima County Treasurer's Office
115 N. Church Avenue
Tucson, AZ 85701-1199

☐ Would you like a receipt? Check here.

[illegible]



2006 SECOND HALF PAYMENT STUB
DUE MARCH 1, 2007
DELINQUENT AFTER MAY 1, 2007

AJO IMPROVEMENT COMPANY

MAKE CHANGES TO MAILING ADDRESS BELOW
OR GO TO <http://treasurer.maricopa.gov>

DELINQUENT AND DELINQUENT PAYMENT

2

MAKE CHECK PAYABLE TO:

Maricopa County Treasurer
P O Box 52133
Phoenix, AZ 85072-2133

PARCEL/ACCOUNT # 403-45-031-6


PRINT THE ABOVE PARCEL / ACCOUNT
NUMBER ON YOUR CHECK

U.S. FUNDS ONLY

SECOND HALF	\$145.11
-------------	----------

PLEASE REMEMBER YOUR SECOND HALF PAYMENT IS DUE IN MARCI
AND THAT NO ADDITIONAL NOTIFICATION IS SENT.

060000000020000002902200000014511403450310060



Messages Admin Help Exit

ACCOUNTS PAYMENTS TRANSFERS SERVICES

Balances Activity Search

National Bank
OF ARIZONA

View Transaction

Use this screen to view a cleared transaction.

Transaction Information

Description: CHECK

Account: AIC 3201000613, 86-0000550 - xxx-xx061-3

Transaction: Check

Customer: 1214

Reference ID:

Date Cleared: 05/11/2007

Amount: \$ 145.11

Date Initiated: 05/11/2007

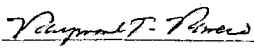
FI Reference ID: 20070512042610152098

ID:

We are pleased to offer your check images online. In order to maintain this service, there is scheduled maintenance every Saturday at 11:00 PM MT (10:00 PM PT) and on the last day of each month at 7:00 PM MT (6:00 PM PT). During this time, which typically lasts about six hours, your images may not be available. We apologize for the inconvenience this may cause.

Transaction Image

05-12-07 0505-035 1214 3201000613 145.11
12291704 12203 05 F19
05/11/07
3250912007


THE STOCKMEN'S BANK 101 La Mesa Avenue Ajo, AZ 85321		1214 01-004/1221 32
AJO IMPROVEMENT COMPANY P.O. DRAWER 9 AJO, AZ 85321-0009 520.387-7151		5/03/2007
PAY TO THE ORDER OF MARICOPA COUNTY TREASURER		**145.11**
One Hundred Forty-Five and 11/100 Dollars		\$
MARICOPA COUNTY TREASURER PO BOX 78574 PHOENIX AZ 85062-8574		DOLLARS
MEMO: 		
#001214# 12291704 12203 05 F19 05/11/07 3250912007		#0000014511#

[Back](#)

For customer service inquiries, please [Contact Us](#) 1-800-497-8168

[Accounts](#) | [Payments](#) | [Transfers](#) | [Services](#)

[Copyright Information](#)



Messages Admin Help Exit

ACCOUNTS PAYMENTS TRANSFERS SERVICES

National Bank
of Arizona

Balances Activity Search

View Transaction

Use this screen to view a cleared transaction.

Transaction Information

Description: CHECK

Account: AIC 3201000613, 86-0000550 - xxx-xx061-3

Transaction: Check

Customer 1322

Reference ID:

Date Cleared: 08/28/2007

Amount: \$ 32,645.17

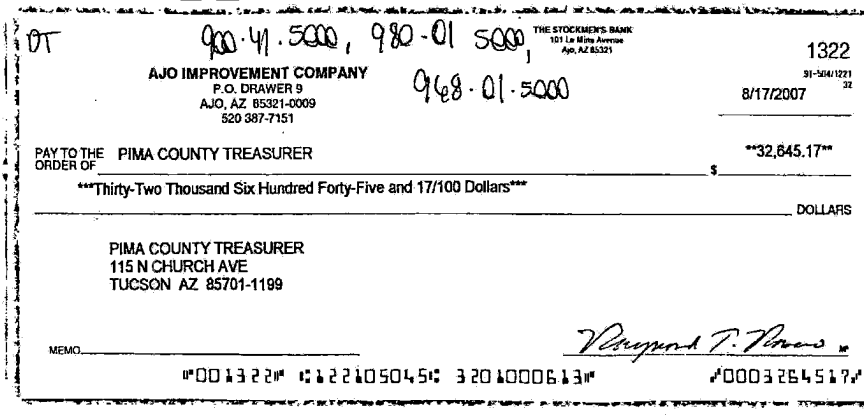
Date Initiated: 08/28/2007

FI Reference 20070829015121134321

ID:

We are pleased to offer your check images online. In order to maintain this service, there is scheduled maintenance every Saturday at 11:00 PM MT (10:00 PM PT) and on the last day of each month at 7:00 PM MT (6:00 PM PT). During this time, which typically lasts about six hours, your images may not be available. We apologize for the inconvenience this may cause.

Transaction Image



OT 900-41-5000, 980-01 5000, 968-01-5000

THE STOCKMEN'S BANK
151 La Mesa Avenue
Avn. AZ 85321

1322
31-304/1271
32

8/17/2007

AJO IMPROVEMENT COMPANY
P.O. DRAWER 9
AJO, AZ 85321-0009
520 387-7151

PAY TO THE ORDER OF PIMA COUNTY TREASURER

32,645.17

Thirty-Two Thousand Six Hundred Forty-Five and 17/100 Dollars

DOLLARS

PIMA COUNTY TREASURER
115 N CHURCH AVE
TUCSON AZ 85701-1199

MEMO: *Raymond T. Thomas*

⑈001322⑈ ⑆122105045⑆ 3201000613⑈ ⑈0003264517⑈

FOR DEPOSIT ONLY
TO THE CREDIT OF
PIMA COUNTY TREASURER
PIMA COUNTY, ARIZONA
412724106

1001 \$ 1019


SEP 27 11 42 AM '07
BANK OF AMERICA NA
PUEBLO BLVD 2200 99 P15
08/27/07
0150740442

Back

For customer service inquiries, please Contact Us 1-800-497-8168

[Accounts](#) | [Payments](#) | [Transfers](#) | [Services](#)

[Copyright Information](#)



National Bank
OF ARIZONA

ACCOUNTS PAYMENTS TRANSFERS SERVICES

Balances Activity Search

Messages Admin Help Exit

View Transaction

Use this screen to view a cleared transaction.

Transaction Information

Description: CHECK

Account: AIC 3201000613, 86-0000550 - xxx-xx061-3

Transaction: Check

Customer 1364

Reference ID:

Date Cleared: 10/10/2007

Amount: \$ 134.82

Date Initiated: 10/10/2007

FI Reference 2007101103070331028

ID:

We are pleased to offer your check images online. In order to maintain this service, there is scheduled maintenance every Saturday at 11:00 PM MT (10:00 PM PT) and on the last day of each month at 7:00 PM MT (6:00 PM PT). During this time, which typically lasts about six hours, your images may not be available. We apologize for the inconvenience this may cause.

Transaction Image

18-08-07 0005-001 MARICOPA CTY 000437946057X 3250257075

THE STOCKMEN'S BANK
151 La Mesa Avenue
Ajo, AZ 85301

1364
91-504/1221
32
10/04/2007

AJO IMPROVEMENT COMPANY
P.O. DRAWER 9
AJO, AZ 85321-0009
520 387-7151

PAY TO THE ORDER OF MARICOPA COUNTY TREASURER

One Hundred Thirty-Four and 82/100 Dollars

MARICOPA COUNTY TREASURER
PO BOX 78574
PHOENIX AZ 85062-8574

MEMO: _____


000000134827

Back

For customer service inquiries, please Contact Us 1-800-497-8168

[Accounts](#) | [Payments](#) | [Transfers](#) | [Services](#)

[Copyright Information](#)



Messages Admin Help Exit

ACCOUNTS PAYMENTS TRANSFERS SERVICES

[Balances](#) [Activity](#) [Search](#)

National Bank
OF ARIZONA

View Transaction

Use this screen to view a cleared transaction.

Transaction Information

Description: CHECK

Account: AIC 3201000613, 86-0000550 - xxx-xx061-3

Transaction: Check

Customer: 1365

Reference ID:

Date Cleared: 10/10/2007

Amount: \$ 31,357.84

Date Initiated: 10/10/2007

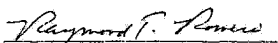
FI Reference: 2007101103070331037

ID:

We are pleased to offer your check images online. In order to maintain this service, there is scheduled maintenance every Saturday at 11:00 PM MT (10:00 PM PT) and on the last day of each month at 7:00 PM MT (6:00 PM PT). During this time, which typically lasts about six hours, your images may not be available. We apologize for the inconvenience this may cause.

Transaction Image

10-03-07 10:01:02 PM AIC 3201000613
DATE OF DEPOSIT 10/03/07
12:07:04 PM
0150026075

AJO IMPROVEMENT COMPANY P.O. DRAWER 9 AJO, AZ 85321-0009 520 387-7151		THE STOCKMEN'S BANK 101 E. Main Avenue Ajo, AZ 85321	1365 91-504/1021 32
PAY TO THE ORDER OF PIMA COUNTY TREASURER		**31,357.84**	10/04/2007
Thirty-One Thousand Three Hundred Fifty-Seven and 84/100 Dollars		DOLLARS	
PIMA COUNTY TREASURER 115 N CHURCH AVE TUCSON AZ 85701-1199			
MEMO _____		⑈001365⑈ ⑈122105045⑈ 3201000613⑈ ⑈0003135784⑈	

[Back](#)

For customer service inquiries, please [Contact Us](#) 1-800-497-8168

[Accounts](#) | [Payments](#) | [Transfers](#) | [Services](#)

[Copyright Information](#)